FBIS DAILY REPORT
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FURTHER REPORTAGE ON PLANE CRASH IN USSR

Ambassador Insists on Details

PY241609 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1209 GMT 24 Jul 81

[Excerpt] Buenos Aires, 24 Jul (NA)--The national government reiterated the request to the Soviet Union today that Ambassador Leopoldo Bravo and two other embassy officials be allowed to visit the site where a private Argentine cargo plane was reportedly shot down after being intercepted by Soviet fighters under very confusing circumstances.

This information was provided by Bravo himself during a telephone conversation with Bernardo Neustadt. Bravo practically discarded the possibility that any of the three Argentine crew members might be found alive.

"If we go according to the TASS report, we should not have any hopes of finding survivors," Bravo said in reference to the Soviet announcement made last Wednesday about an Argentine airplane that, after colliding with a Soviet plane, crashed and caught fire.

He added that this morning he went to the Soviet Foreign Ministry once again "to urge the ministry to give us complete and detailed information about this incident and to insist on making the trip." He added that "finally, our petition will be granted...but sometimes red tape takes some time."

Asked about rumors that the airplane, a Canadair CL-44, four-engine turboprop with a 27-ton cargo capacity, might have been hit by a Soviet missile, the ambassador said that "due to my diplomatic functions, I have to go along with the TASS report that it collided with an airplane which ordered it to land and then caught fire."

He said that "I cannot make a judgment, but as soon as we get an official report, it will serve to prevent other speculations which are not doing the two countries any good."

He also affirmed that "it will not be long before the Soviet Union--a country with which we maintain normal and very important trade relations--will provide us with detailed explanations according to the requests of the Argentine Government."

Foreign Minister on Crash

PY251211 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2244 GMT 24 Jul 81

[Text] Santa Fe, 24 Jul (NA)--In regard to the Argentine plane which presumably fell on Soviet soil, Foreign Minister Oscar Camilion stated here today that the Foreign Ministry's "only interest" is centered "on learning exactly what happened to the people (who were in it) for reasons of solidarity with our fellow countrymen" and made it clear that "this government is not involved in any way."

Camilion stated that "the only interest of the Foreign Ministry now is to determine exactly what really happened in view of personal interests expressed in the fate of the Argentine citizens."

He added that "what the plane might have been doing there, flying over an area outside our security zone, is a matter which does not concern the Argentine Government."

Asked about the kind of business the plane might have been engaged in, he answered that "since the flight was not under our jurisdiction, Argentine law can be neither directly nor indirectly violated by what we believe are legal commercial operations."

He reaffirmed that "we are interested in knowing exactly what happened to the crew for reasons of solidarity with our fellow countrymen," and he added that "the national government is not involved in any way."

Crew Reported Dead

PY250045 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2355 GMT 24 Jul 81

[Text] Buenos Aires, 25 Jul (NA)--The Foreign Ministry tonight issued the following communique:

"Leopoldo Bravo, the Argentine ambassador to the Soviet Union, was received today by Mr Zemskov, deputy minister of foreign affairs, with whom he held a lengthy conversation.

"The Argentine ambassador received confirmation that an unidentified CL-44 plane had entered Soviet territory making dangerous maneuvers which caused it to collide with a Soviet plane. Both planes fell down to earth, completely destroyed.

"Minister Zemskov reported that the crew members of both planes had died as a result of the collision.

"Ambassador Bravo said that he was taking note of the information, adding that it was necessary to obtain further details, especially to brief the relatives of the dead, and requested authorization to travel to the site of the accident."

Ministry Wants To Visit Site

PY250244 Buenos Aires TELAM in Spanish 0103 GMT 25 Jul 81

[Excerpt] Buenos Aires, 25 Jul (TELAM)--The charge d'affaires of the USSR in Buenos Aires, Viktor Rojnov had a meeting tonight with the under secretary of foreign affairs, Enrique Ros, in relation to [Argentine Ambassador to the USSR Leopoldo] Bravo's request to travel to the site where the aircraft [which crashed on 18 July fell to earth in the area of Yerevan.

At the meeting, Rojnov told Ros the same details that Ambassador Bravo had sent to the San Martin Palace hours before. The under secretary asked Rojnov to take measures to facilitate Bravo's travel to the scene of the accident, given the good relations between Argentina and the USSR.

NEW AMBASSADOR TO SOVIET UNION DESIGNATED

PY241505 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1323 GMT 25 Jul 81

[Text] Buenos Aires, 25 Jul (NA)--The official bulletin today reported that Ernesto de la Guardia has been designated as the new Argentine ambassador to the Soviet Union, replacing Leopoldo Bravo. De la Guardia was ambassador to Turkey.

6 GENERAL LABOR CONFEDERATION LEADERS RELEASED

PY250220 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0108 GMT 25 Jul 81

[Text] Buenos Aires, 25 Jul (NA)--At approximately 2145 the six leaders of the General Labor Confederation (CGT) who were detained last Wednesday regained their freedom. The union leaders left the federal security facility after completing the last step in the process ordered this afternoon by the courts.

CABINET MEETING RATIFIES MONTEVIDEO LAIA TREATY

PY241854 Paris AFP in Spanish 0313 GMT 24 Jul 81

[Text] La Paz, 23 Jul (AFP)--The Bolivian Government ratified the reaty of Montevideo which created the Latin American Integration Association (LAIA) in 1980, it was reported here today.

A cabinet meeting, presided over by Gen Luis Garcia Meza, approved the corresponding decree in today's ordinary session. It was decided that the ministers of foreign relations and integration are charged with executing and complying with the government decision.

ARMY COMMANDER TORRELIO, MARISCAL PROMOTED

PY241859 Buenos Aires LATIN in Spanish 2151 GMT 23 Jul 81

[Text] La Paz, 23 Jul (LATIN-REUTER)--Today the commander and the chief of staff of the Bolivian Army were promoted by the government of Gen Luis Garcia Meza. These are the first promotions ordered by the current administration.

Brig Gen Celso Torrelio Villa, commanding general of the army, has been promoted to army division general. Torrelio has held this post since 27 June when his predecessor, Gen Humberto Cayoja Riart, was ousted and charged with heading an aborted military coup.

During a cabinet meeting today the government also approved a supreme decree promoting Col Angel Mariscal to the rank of brigadier general. Last week Colonel Mariscal was appointed army chief of staff. This is the first time that an army colonel, now promoted, has been appointed to such an important post.

General Mariscal replaced Gen Carlos Turdera Villa, who died of a heart attack on 8 July in the city of Cochabamba, 200 km southeast of this capital.

Turdera had been appointed at the same time as General Torrelio, on 27 June, to replace Gen Lucio Anez Rivero, who was also dismissed and exiled together with Cayoja, charged with having headed a coup.

These promotions are contained in government supreme decrees approved today during a meeting of the ministers' council.

NEW SANTA CRUZ 8TH ARMY DIVISION COMMANDER NAMED

PY241228 Buenos Aires TELAM in Spanish 2215 GMT 23 Jul 81

[Text] Santa Cruz de la Sierra, 23 Jul (TELAM)--Military sources reported here today that Col Jose Quiros was designated new commander of the 8th Army Division, headquartered in Santa Cruz de la Sierra. Colonel Quiros replaces Col Erwin Peredo as division commander. Colonel Quiros is the fifth commander of this division, located 1,000 km east of La Paz, since December 1980.

FUDP VOWS TO INCREASE RESISTENCE, OUST GOVERNMENT

PA252021 Havana International Service in Spanish 1600 GMT 25 Jul 81

[Text] Bolivia's Popular Democratic Union Front [FUDP] has issued a communique in which it stresses it will continue to make efforts to strengthen even further the popular resistence against the dictatorship until it achieves the overthrow of the military which usurped power on 17 Jul 1980.

FURTHER DETAILS ON ARRESTS OF RETURNED EXILES

Col Saravia From Argentina

PY241439 Buenos Aires TELAM in Spanish 0130 GMT 24 Jul 81

[Text] La Paz, 23 Jul (TELAM)--The Bolivian colonel who was arrested by military authorities in Santa Cruz de la Sierra Department has been identified as Rolando Saravia, a military officer who had been exiled to Argentina for being involved in the uprising on 27 June 1981.

Colonel Saravia was traveling along an alternate highway from the Pocitos-Yacuiba border point between Bolivia and Argentina and was stopped by military authorities in Rio Grande, 120 km south of Santa Cruz. Colonel Saravia was accompanied by a group of civilians and three captains who are also under arrest.

Sources close to Saravia stated that he had intentions of meeting in Santa Cruz with Gen Luis Anez, Gen Humberto Cayoja and Alberto Natusch, who also entered Bolivia illegally. The meeting was to take place somewhere near this eastern city 1,000 km east of La Paz.

Militarymen From Ecuador

PY250329 Buenos Aires LATIN in Spanish 1824 GMT 24 Jul 81

[Excerpt] La Paz, 24 Jul (LATIN-REUTER)--The militarymen who were recently detained in Santa Cruz while trying to clandestinely enter Bolivia after having been expelled to Ecuador have been placed before the courts, Army Commander Gen Celso Torrelio reported.

In a statement on state television, Torrelio said that all the background, including the number and names of the detainees, is in the possession of the Interior Ministry, under whose jurisdiction they now are.

He explained that this concerns officers belonging to the group that was exiled to Ecuador who tried to get into Bolivia clandestinely, presumably with subversive intentions.

The Interior Ministry has thus far withheld the number and identities of the arrested militarymen.

Names of Detainees Published

PY251420 Paris AFP in Spanish 0057 GMT 25 Jul 81

[Text] La Paz, 24 Jul (AFP)--Four civilians and five servicemen have been detained for their subversive activities, the evening paper ULTIMA HORA revealed here today.

Clarifying the report, the newspaper said that this was only a partial list. The Interior Ministry has promised to supply a complete list of names in the next few hours.

According to the paper, the imprisoned civilians are former deputy for the National Revolutionary Movement (MNR) Father Leonidas Sanchez, the radio announcer Elsa Antequera and (?Gonzalo) and Gladys Calderon, a brother and sister whose political background is unknown.

Among the servicemen are Col (ret) Samuel Gallardo Lozada, of the MNR of the left; and Majors Eduardo and Fernando Galindo, Jorge Castellon and Fernando (?Ortiz) who, it seems, were trying to enter the country clandestinely from Argentina.

GOVERNMENT TURNS DOWN M-19 PEACE PROPOSAL

PA250122 Panama City Televisora Nacional in Spanish 2315 GMT 24 Jul 81

[Text] Bogota--Today the Colombian Government turned down a peace proposal submitted by the 19 April Movement, M-19, the main guerrilla force operating in the country. Justice Minister Felio Andrade Manrique said there cannot be any agreement with subversion.

The M-19 sent its proposal yesterday to President Julio Cesar Turbay Ayala through the well-known television master of ceremonies Fernando Gonzalez Pacheco, whom the M-19 had kidnapped and held for 18 hours. The M-19 demanded the lifting of the state of siege; the derogation of the security law, a new general amnesty law and a broad dialogue with representatives of the government, the legislative branch and the private sector, to put an end to hostilities.

On delivering its proposal, the M-19 appealed to all Colombians who love their country and want peace to search for every possible way to reach an understanding.

Further Details on Proposal

PA250026 Buenos Aires LATIN in Spanish 2147 GMT 23 Jul 81

[Text] Bogota, 23 Jul (LATIN-REUTER)--Television announcer Fernando Gonzalez and newswoman Alexandra Pineda who were kidnapped yesterday by a commando group of the 19 April Movement (M-19) in Bogota were released today, the authorities have reported. Gonzalez and Pineda said that during their 22-hour kidnapping they received an official peace proposal from the M-19 to the government which, if accepted, would enable the M-19 guerrillas to lay down their weapons and accept the law.

Gonzalez and the newswomen indicated that they spoke with top M-19 leader Jaime Bateman Cayon somewhere in Bogota for 7 hours last night. Gonzalez disclosed that the proposal consists of lifting the state of siege, abolishing the security statute which permits soldiers to make arrests based on suspicions, establishing a total amnesty that would include people tried and condemned for political crimes, and holding a national meeting to study the country's main social and economic problems.

The two kidnap victims said that they were treated well by their captors, that they taped their conversation with Bateman and took many photos.

Gonzalez was forced into a private car when he left his office in the center of Bogota around 1800 (2300 GMT) yesterday.

Pineda, political writer of EL ESPECTADOR who had been kidnapped near the congress in the center of the city, was already inside the car.

In their brief statements to the press before being taken to a military base in northern Bogota, they recounted details of their talk with Bateman, the most wanted man in Colombia. The guerrilla leader said that the M-19 is not finished and that "the farce of the partial amnesty" had to end in failure.

He also confirmed that the M-19 used 60-mm mortars to fire the three projectiles that exploded in the gardens of the government palace and two nearby streets on Monday. "The operation was carried out by the recently created artillery division of the M-19," Bateman added.

The kidnapping of Gonzalez, one of the most popular personalities in Colombia, not only due to his work as a television announcer but also because of his work as a promotor of charity projects, caused a big sensation in the country. He was scheduled to leave on a business trip to Mexico today.

The M-19 had made a similar peace proposal 6 months ago before the beginning of a guerrilla offensive in southwestern Colombia which has left a high toll of guerrilla and military casualties.

The government had rejected the proposal, indicating that "a legitimate government doesn't negotiate with those who are outside the law."

The amnesty expired last night and only some 20 guerrillas have accepted it, a preliminary report of the government ministry has reported.

GHALI MAKES STATEMENT ON MEETING WITH PRESIDENT

NC250740 Cairo Domestic Service in Arabic 0600 GMT 25 Jul 81

[Text] Egyptian Minister of State for Foreign Affairs Dr Butrus Ghali, who is now visiting Bogota, has conveyed a message to Colombian President Turbay Ayala from President Anwar as-Sadat.

After the meeting, Dr Butrus Ghali said that the Colombian president will reply to President as-Sadat's message in the next few weeks. He added that during his visit to Colombia he held series of discussions with Colombian Foreign Minister Carlos Lemos Simmonds, resulting in the signing of a trade agreement and another agreement for scientific and technical co-operation between the two countries as well as a joint statement on the two countries' position regarding international events, the Middle East issue and the multinational force.

In his statement Dr Butrus Ghali said that his visit to Colombia was positive and achieved its objectives of bolstering the bilateral relations and of explaining the Egyptian viewpoint on its endeavor to establish a just peace in the Middle East. He added that during his political discussions with the Colombian foreign minister, the viewpoints were identical on all the international issues, particularly the Middle East issue.

Dr Butrus Ghali said that the joint statement which he signed with the Colombian foreign minister emphasized Colombia's support for the Egyptian diplomatic efforts as well as the Colombian minister's appreciation of the peace process which was initiated by President Anwar as-Sadat's historical visit to Jerusalem and which culminated in the signing of the Camp David agreement.

Dr Butrus Ghali said that the joint statement pointed out that the Colombian Government will carefully study Egypt's interest in having Colombia participate in the multinational force which will be a temporary substitute for the UN force on the Egyptian-Israeli border and that Colombia will make a decision in this respect at the appropriate time.

He added that the joint statement clearly showed that Colombia shares our support for the UN Security Council resolutions on the situation in Lebanon--the resolutions which expressed strong anxiety over the number of victims, the escalation of the conflict and the damage caused by the regrettable incidents that are taking place there.

ROYO NOTES U.S. EFFORTS TO DOMINATE LATIN AMERICA

PA242138 Panama City Domestic Service in Spanish 1515 GMT 24 Jul 81

[Speech by Panamanian President Aristides Royo in the Bolivar Room of the Instituto Bolivar, Panama City--live]

[Excerpts] Spanish American unity rejects the existence of dependent societies in America and Simon Bolivar pointed out what the path should be.

If history is to teach us not to repeat past errors, it would be appropriate to be aware of all the efforts that U.S. diplomacy has carried out, especially since issuing the Monroe Doctrine, to secure U.S. supremacy over our nations using nationalistic divisionism as the means of reaching that objective.

Bolivar struggled against this like a giant. It is up to our nations to make a greater effort to consolidate our political independence and prevent the substitution of old geographic borders with ideological ones. We must work to make the world view Latin America and the Caribbean as an important region, so that in the meetings of the great powers, such as the one taking place right now in Ottawa, Canada, it is not the United States who speaks on our behalf, but a representative agreed on by our nations. This representative would speak for 330 million people who occupy 20 million square km, who represent a market of $120 billion for the industrialized countries and who supply the industrial countries with agricultural, forest, mineral and fishery resources. Our imports total $100 billion a year.

Let us replace the old concepts of Panamericanism, realizing that between the United States and Latin America and the Caribbean there is really no identification in principles, habits, language or interests.

As in the legend about Rodrigo Diaz de Vivar, El Cid, Bolivar has won and continues to win victories, even after his death. This is so because despite our differences, which we must respect, Latin America maintains alive the spirit of unity and makes it evident in situations as decisive as the almost 100-year-old struggle of Panama over the Isthmian channel. In this situation, the Bolivarian spirit has resulted in actions from sister nations that gave us, and continue to give us, full support in this singular battle we are presently waging against a lack of understanding, domination and injustice.

MINISTER COMMENTS ON REGIONAL MEETING AGENDA

PA250255 Panama City Televisora Nacional in Spanish 2315 GMT 24 Jul 81

[Text] Foreign Minister Jorge Illueca told foreign correspondents here today that the upcoming meeting of foreign and economy ministers of Central America will discuss, among other things, three topics.

Illueca revealed that the first topic on the agenda concerns the coordination of policies in the search for a common position to deal with economic problems and other specific matters.

The second topic involves the formulation of a common international economic cooperation policy which should be implemented in two specific parts: the first being a coordinated action to obtain financial resources for development programs which follow the guidelines put forth by the nations of the area, while the second involves the economic cooperation program for the development of the Central American isthmus.

The third topic on the agenda will deal with trying to find the best way to reorganize the regional integration process.

Jorge Illueca said Panama is willing to attend the foreign and economy ministers meeting wherever and whenever it may be held.

PASTORA, SPADAFORA DISCOVERED BY LOCAL NEWSMEN

PA241915 Panama City Circuito RPC Television in Spanish 1715 GMT 24 Jul 81

[Justo Fidel Palacios special report]

[Excerpts] This morning we were able to learn, or rather confirm, the presence of Commander Cero, Eden Pastora. This morning he was seen in the vicinity of the VIP Pharmacy in Bethania in the company of Commander Hugo, Hugo Spadafora.

Pastora is seen here wearing a white cap and dark glasses. He has shaved off his moustache and is wearing a pale blue shirt and khaki pants.

We now show Commanders Cero and Dr Spadafora speeding away after noticing the presence of the RPC cameraman and photographers. The circumstances prevented us from obtaining a statement from Commander Cero about his presence in Panama and his future plans now that he is out of the Sandinist government.

IMMIGRATION OFFICIALS ARREST CUBAN-BORN NEWSMAN

PA241654 Panama City LA PRENSA in Spanish 22 Jul 81 p 1

[Excerpt] Since Friday, Luis Simon, a 52-year-old Cuban newsman who writes an opinion column for the AGENCIA LATINOAMERICANA DE NOTICIAS (ALA), has been held incommunicado in a G-2 cell. His column is published by hundreds of Latin American newspapers, including some local ones.

LA PRENSA has learned that Simon was arrested by immigration officers with an order to deport him as an undocumented foreigner. His lawyer, nevertheless, obtained special treatment for him since he is married to a Panamanian and has acquired residence rights.

However, a short time later, the order for his release was rescinded and it was reported that the case was passing to G-2 apparently to investigate some of Simon's articles on the press law.

[Panama City CRITICA in Spanish on 23 July on page 1 reports that Cuban newsman Luis Angel Antonio Jesus Simon Garcia has been deported to Costa Rica because he was in the country illegally.]

XINHUA Report

OW230718 Beijing XINHUA in English 0705 GMT 24 Jul 81

[Text] Panama City, 23 Jul (XINHUA)--A Cuban journalist was declared persona non grata by the Panamanian authorities and ordered to leave the country, the paper CRITICA reported today.

Luis Antonio Jesus Simon Garcia, the Cuban journalist, was accused of illegal residence and slander of Panama and the Panamanian people. Simon had reportedly been in Panama for two years without legal papers and no one knew how he entered the country.

The Ministry of the Interior and Justice of Panama decided to expel him in accordance with the law that no foreigner is allowed to enter and stay in Panama without legal formalities.

The Cuban journalist has left Panama for Costa Rica.

BELIZE

PRICE ANNOUNCES INDEPENDENCE SET FOR 21 SEPTEMBER

PA262317 Paris AFP in Spanish 2009 GMT 26 Jul 81

[Text] Belize, 26 Jul (AFP)--Premier George Price today announced here that Belize will become independent from Great Britain on 21 September.

Price said that the British Government will continue to guarantee the defense of Belize and will supply arms and training for the local security forces. In return, price continued, Belize will furnish areas to the UK for the training of its troops. All of this will be specified in an agreement that will be ratified following independence.

Price said that "other countries of the Caribbean area will be invited to join Great Britain in that agreement aimed at providing help for Belize in the event of an attack from abroad or the threat of such an attack."

Price, who has just returned from a trip to the United States and Mexico, said in Washington that Thomas Enders, assistant secretary of state, Bureau of Inter-American Affairs, had assured him that "the United States will respect and support the territorial integrity of Belize." At the same time, Price added, the U.S. authorities will encourage the search for a solution to the century-old dispute between Guatemala and Great Britain over the territory of Belize.

In a statement meant for the Guatemalan Government, Premier Price said that he is "once more extending the hand of friendship toward the Guatemalans and is welcoming cordial relations between the two countries."

Price admitted, however, that "there might be tense moments in the weeks to come before independence, but the terms for a final agreement are still in force and we hope that a peaceful solution will be found as soon as possible." He concluded on an optimistic note, saying that "in the end peace will prevail."

EL SALVADOR

VENCEREMOS ON ARMY JOINT ACTION WITH HONDURAS

PA251750 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 25 Jul 81

[Text] Radio Venceremos recently reported the prestige of Salvadoran troops in Honduran territory. We reported that from Cerro Tigre in Honduras, the Salvadoran Army troops which crossed our border have launched attacks against our positions in Chalatenango Department. We are going to list the joint actions carried out by the Honduran and Salvadoran armies in recent months. We again repeat that these actions are part of the general strategy of imperialism to try to destabilize the people's governments in the area and also to attack the Salvadoran revolutionary process using the Central American military dictatorships as a spearhead.

At the end of June, Salvadoran Defense Minister Col Jose Guillermo Garcia announced that the Honduran Army will help in the action against the extremists. On 5, 6 and 7 July, Lieutenant (Moya), in command of the soldiers stationed along the border from Mercedes, Ocotepeque, to Virginia, Lempira, was in the headquarters in Santa Rosa de Copan.

On 8 July at 0500, some 18 Honduran soldiers led by Lieutenant (Moya), riding a Transportation Ministry vehicle, broke into the Caritas warehouse in the village of (La Majada), municipality of La Virtud, Lempira, capturing the person in charge of the warehouse and another person, a member of the Honduran committee in charge of giving aid to the refugees in the village.

These two persons are taken to the military headquarters, where they are questioned and threatened with death. On the same day, the notorious assassin (Pedro Monje) of Arcatao, Chalatenango [El Salvador], was safe in the military headquarters in La Virtud. On the same day, another member of Caritas was questioned and his name filed by the immigration authorities, disregarding the fact that he is a Honduran.

On 10 July another member of Caritas was arrested and his name listed by the authorities. At 1300 on the same day, Salvadoran aircraft dropped 500-lb bombs in the ravines of (Los Filos) and La Canada. The aircraft went as far as 6 km into Honduran airspace and the air raids lasted 4 hours.

At 0830 on 11 July, the Salvadoran Air Force bombed the same places, near the Salvadoran villages of Arcatado and La Virtud and penetrated several kilometers into Honduran airspace. The air raid lasted approximately 5 hours. On the same day 100 members of the Honduran Army arrived in La Virtud. This same day the army set up road blocks at the entrance of San Marcos, Ocotepeque [Honduras] on the highway to the border.

On 12 July Honduran troops withdrew from the zone.

Stop the joint military actions of the armies of Honduras and El Salvador. Let us call on the people of Central America and the world to denounce the joint actions of the Honduran and Salvadoran armies.

We wish to reveal that troops and planes of the Salvadoran military dictatorship are crossing the border into Honduran territory, from where they are massacring refugees and launching deadly attacks with their artillery and air force, not only against the forces of the Farabundo Marti National Liberation Front, FMLN, but also against the defenseless civilian population in Chalatenango Department. We repeat the accusation that this is part of a plot by imperialism to use the dictatorship of the area as a spearhead against the Salvadoran people at these moments when they are advancing toward victory and inflicting staggering blows on the dictatorship, and who are more united now than they ever were, to obtain victory.

Troops From Honduras Hurt

PA252329 Havana International Service in Spanish 1600 GMT 25 Jul 81

[Text] Guerrillas of the Salvadoran Farabundo Marti National Liberation Front [FMLN] inflicted dozens of casualties on several detachments of the Salvadoran Army which had attacked rebel positions in Chalatenango Department from Honduras.

The SALPRESS news agency quoted an FMLN spokesman who said that by transporting Salvadoran troops to Honduras, the Salvadoran regime is causing the Salvadoran patriots to also consider the Honduran Army their enemy. The FMLN spokesman added that Guatemalan troops and U.S. advisers are also participating in these military operations launched against the Salvadoran guerrillas.

REPORTAGE ON ARMY, GUERRILLA MOVEMENTS, CLASHES

Attacks Against Power Lines

PA231822 San Salvador EL MUNDO in Spanish 21 Jul 81 p 1

[Excerpts] The security forces reported today that the extremist groups are intensifying their operations to destroy electric pylons and lines in eastern El Salvador as well as their raids on hamlets, valleys and cantons to murder peasants and steal money and domestic animals.

It was reported that Jiquilisco, Usulutan Department, has been without power for 3 days because groups of extremists destroyed pylons and lines along the coastal road between Jiquilisco and the Dorado Bridge.

The report indicates that crews from the National Telecommunications Administration have been unable to make any repairs because groups of heavily armed men constantly roam the area.

The same source confirmed that many towns as well as farming and livestock breeding centers in the eastern region are facing problems because they lack electricity due to the extremists' simultaneous operations to dynamite high-voltage towers. They also destroy utility poles by first cutting them with machetes and then setting them on fire. It was explained that the power lines are downed with fragmentation grenades.

Death Squad Members Arrested

PA241344 Paris AFP in Spanish 1754 GMT 21 Jul 81

[Excerpts] San Salvador, 21 Jul (AFP)--The authorities reported here that a violent shootout took place this morning beginning at 0830 in the northwestern area of San Salvador, but so far no casualties have been reported.

According to the initial reports the shooting began when several armed individuals tried to hold up a business establishment, and increased after security corpsmen arrived on the scene.

This violent incident, which took place in an area of the capital which has numerous secondary schools, followed several other shootouts which took place last night in the area of the Parque Zoologico Nacional, in southern San Salvador only a few blocks away from the Presidential Palace. No casualties were reported here either.

From another quarter the National Police disclosed today that three members of the Death Squad were arrested and that their cases have been sent to the courts. The three are charged with several crimes,among them kidnapping and killing a child in the neighboring city of Apopa.

The Death Squad is an underground organization which was initially formed here, modeled on its Brazilian counterpart, to pursue and kill common criminals. However, this goal soon became political and was specifically directed toward "everything that smacked of the left."

According to the people, the Death Squad is made up of former members of the security organizations. The rumor that even current members of the security corps participate in Death Squad activities has been denied by the authorities.

Town Reports Nightly Attacks

PA231612 San Salvador EL DIARIO DE HOY in Spanish 22 Jul 81 p 4

[Excerpts] Over 5,000 people in Tecomatepeque canton, San Pedro Perulapan, fear being killed by extremists. They have reported that every night armed groups come to the town and take peasants away. The canton is 33 km from San Salvador and has no police or army post.

Residents said they have organized a civilian patrol group with the few weapons they have, but that the group cannot provide adequate protection because it lacks military training. They expect Defense Minister Guillermo Garcia to send personnel to protect them.

Mianguera Bridge Ambush

PA231342 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 23 Jul 81

[Text] At this moment we are receiving information from the northeastern front lines indicating that at 0600 hours this morning our forces ambushed an enemy force at Mianguera Bridge, causing an unspecified number of casualties to the troops. Our forces, according to the report, suffered no casualties and withdrew as scheduled.

OLC To End 'Crime' in Capital

PA240417 San Salvador EL DIARIO DE HOY in Spanish 23 Jul 81 pp 5, 24

[Excerpts] In response to the general demand of the citizens, the Organization for Liberation from Communism, OLC, through its Maximiliano Hernandez Martinez Brigade, has promised to put an end to crime in San Salvador. This was said by Commander Tercero during an interview yesterday with this newspaper.

Commander Tercero added that after their success in Santa Ana, in the extreme eastern part of the country, where in practically 3 months they had *cleaned the area of thieves*, highwaymen, hoodlums, swindlers and others, they are now coming to San Salvador where they expect to catch criminals red-handed. Commander Tercero is "encouraging" them to keep up their criminal activities to make things easier for the squad.

The mysterious Commander Tercero said they are operating on three fronts: the central, paracentral and eastern. He added that until just a few days ago, his forces were located on the eastern front "waiting" to fight and kill Eden Pastora and his buddies, but our intelligence service learned that Pastora and his Victoriano Brigade, the so-called International Brigade, are not in our beloved country.

Commander Tercero said they have 18 squads properly trained and ready to go into action and that 12 are already operating. He disclosed that "operation solitary" began on Monday and that so far there have been three executions. Those who doubt this will soon learn of a macabre discovery in San Antonio Abad. He added that after "cleaning up" bus stops in downtown San Salvador, they will go to the suburbs where people are alarmed by the crime wave.

Commander Tercero explained that the group is nonpartisan, that it is against neither the right nor the left, but is prepared to go into action against terrorism and communism because "we want democracy to prevail in our beloved country." Commander Tercero also condemned the destruction of installations that generate jobs because the ones affected by this are the workers.

Finally, he gave assurances that the organization has no links with the so-called Death Squad. Our objectives are different, he concluded.

AIR FORCE DENIES REPORTS OF ATTACKS BY MERCENARIES

PA231747 San Salvador EL DIARIO DE HOY in Spanish 22 Jul 81 p 4

[Excerpts] The public relations officer of the Salvadoran Air Force [FAS] has asserted that "it is not true we have been attacked." He said that the last time there was an attack was 3 months ago.

The FAS spokesman said, moreover, that the FAS constantly patrols and watches over all of El Salvador, thus ensuring complete control over Salvadoran airspace to guarantee that the population will enjoy full democracy.

The spokesman noted that, bearing in mind reports of alleged [flights by] mercenary planes, the FAS has increased its patrol flights and remains on the alert against possible airspace violations.

SALVADORAN REFUGEES DENOUNCE USE OF POISON GAS

PA241418 Havana International Service in Spanish 0000 GMT 24 Jul 81

[Text] Salvadoran refugees have charged that the air force of the genocidal regime is using U.S.-made poison gas bombs in repressive operations against the guerrillas and the civilian population in El Salvador.

SPEECH TO THE NATION BY PRESIDENT DUARTE

PA240028 San Salvador Domestic Service in Spanish 0300 GMT 23 Jul 81

[Speech to the nation by Jose Napoleon Duarte, president of the revolutionary junta of the Government of El Salvador--live]

[Text] Good evening, Salvadoran people. Some days ago, when Decree No 544, [on economic austerity measures] was extended, we promised to present a report on the national situation and, especially, on the state of our economy. We believe that it is most important that the Salvadoran people be informed about what happens daily in the country to understand correctly the problems we have, the solutions that the government proposes and to realize that what we propose is the best course of action.

The most important aspects of the national situation during the past few months have been political, economic and social. Our government has had to face various types of problems and, at the same time, it has had to face the intense attacks of the ultraleft which wants to turn our country into a battlefield and to establish, against the will of the people, a Marxist-Leninist government leaving no democratic alternative.

The government, in addition to facing communist aggression, has the commitment, as expressed by the [words indistinct] of the armed forces, to initiate a series of changes that will permit, once and for all, the resolution of social, economic and political problems, and to increase the national effort to eradicate the ills that affect the majority of Salvadorans. This is a historic demand and it must be done.

Our government has promoted reforms that are already known. During the past few months, with the active participation of the people, it has dedicated much of its time to make the reforms become a way to change the present situation.

Another problem we have had to face is an unstable economy, which is partly the result of destabilizing activities by the extreme left since 1977, partly the result of a diminishing interest and capability by private investors to invest in the country, and partly the result of the flight of capital during the past 3 years.

To this we can add the situation our country faces with its exports and the reductions we have had as a result of these [words indistinct]. As a result of this, [words indistinct] our main export products. That is, in addition to promoting the armed defense of the country against attacks by subversive groups, we have had to struggle with a deteriorating economy.

Any government has to make big efforts, even during normal times, to solve social, economic and political problems. And a transitional government such as ours, under especially adverse conditions, has, of course, to make even greater efforts.

In this regard, the following situations have arisen: [words indistinct] the measures that must be taken to do away with the historic contradictions that have made up our economic system, and that have been the reason for the poverty of the majority of the Salvadoran people.

At this moment, we cannot forget those sectors living in social conditions that cannot, and must not, be hidden. Regardless of ideological positions, it is impossible to ignore facts. Many studies made in the past 30 years have charged that the main reason for this social situation in El Salvador, essentially an agricultural country, has been the land ownership structure and this is why we decided on a process that began with the agrarian reform.

This reform was seen as the way to ensure a greater participation by those who work the land in the ownership of the land. The income level of large peasant groups would therefore improve by redistributing the wealth, and this in turn would increase the purchasing power of the Salvadoran people and stimulate the demand for manufactured products and services.

This is a process that seeks the democratization of land ownership and allows the peasants to fully satisfy their basic human demands.

The peasants, in addition to participating economically through their production and assuming the social condition of being landowners who are responsible for the most important production in the country, will have and will exercise the right to give their opinion and to work for a better future. They and all the other social groups, including those who have already exercised power, which unfortunately was abused by some, will have this right as a result of this democratization of property.

Together with these reforms for democratization and social justice, the government has proposed a political process that complements the interests of the various sectors of the country to form a system that will lead us, through true democracy, to a new society.

When we speak of a new society, some persons or entities believe that the government stubbornly insist on an utopian theory, as its plans have been characterized more than once. These persons perhaps think that for the past 50 years they have enjoyed an excellent situation and that there is no better life. Or perhaps they believe that the best solution will be the dictatorship of the proletariat. We don't believe that. We are sure that many good things have happened in El Salvador's history. There has been dynamism in some sectors, but, unfortunately, the benefits have not reached most of the Salvadorans, who are still poor.

We are sure that in presenting this true situation, we are in no way disregarding constructive efforts and actions that have contributed to the progress of the fatherland, but we must admit that we must find a more efficient way, and a more just and lasting solution, to eliminate poverty.

Our government has proposed to the country a political project that focuses on the most delicate problems in an attempt to present viable solutions in order to make the people understand the real situation and see what the country's most serious problems are.

By knowing and understanding these problems, solutions that are different from those we are proposing might surface. By proposing a process that begins with structural reforms, the government wants to create conditions that will allow all sectors to participate in a democratic atmosphere. This includes those formerly sidelined majority sectors which are now seeing that they have a real possibility to achieve a more just and humane life.

For this it is necessary for all the Salvadoran people to struggle to achieve a great national unity in a coherent manner and according to their own identity.

It is important to point out that the government did not create the present crisis. When the government assumed power, serious economic, political and social problems already existed. These problems have been getting worse and have been joined by other problems which this government is facing under disagreeable circumstances which had never been experienced in Salvadoran history.

When this government accepted its historical challenge, there already was the highest degree of unemployment, underemployment, housing shortages, hunger, misery, injustice, and the frustration of the majority. There were also deficient health and education systems. These are the problems we inherited and which we are trying to solve.

From the onset, the revolutionary government focused on the pattern of social decay; from the beginning we have been faced with this crisis with the incapability of previous governments to give a satisfactory reply to social demands. We have all seen how each sector began to look for its very own solution individually and how these sectors lost respect for the minimum conditions for coexistence and brought about the crisis of violence which continues to exist.

In this way, we have reached a point where there is no respect for human life and where disobeying the laws regarding human behaivor in society is the most natural thing in the world. We have reached a situation where selfishness has developed into corruption. This disorganization, this social disobedience is a serious problem that we must all resolve at the same time that we resolve the political and economic problems.

During the past few months, the country has permanently been [word indistinct] the drop in economic activity. This drop can be attributed to the political instability that began even before 1977 and 1978, the lack of investments since 1979, the flight of capital, the unfavorable conditions for investment, and on other domestic and foreign factors that indicated that we were rushing toward a crisis of incalculable proportions.

To overcome this situation, in the middle of last year the government undertook the so-called emergency plan. It cannot be denied that this plan was a determining factor in preventing our economic production from dropping any more than it has at present. The financial resources used for agricultural production were later turned into crops, most of which were harvested despite the insistent attacks of the subversive groups and the [words indistinct].

Now food is not scarce and we have been able to export coffee, cotton, sugar, corn and sesame.

The emergency plan also had a favorable effect on employment. A study has revealed that the projects carried out in the agricultural and livestock sector for the production of basic grains, cotton, sugar cane and coffee; the rehabilitation of manufacturing industries and the supply of raw materials for the [word indistinct] export industry; the housing programs and the projects aimed at improving the slum areas; and the protection of nonrenewable natural resources maintained and generated approximately 400,000 jobs which represent 30 percent of the economically active persons who were employed. Although this might seem like a mere palliative measure in light of the seriousness of the problem, it is important to point out that the families of these workers would have had greater problems if these economic reactivation programs had not been implemented.

To halt the drop in the economy the revolutionary government, through the financial system, has placed at the disposal of the [words indistinct] of the country, the maximum financing available. The sum of 956.5 million colones was allocated for the agricultural sector, 280 million in working capital for the industrial sector, 1,322,700,000 to finance effective public investment, and 119.1 million for the building of low cost housing. These investments allowed the economy to shrink by only 10 percent in 1980, countering a number of adverse internal factors which occurred simultaneously--such as the capital depletion of industry, speculation, uncertainty and the fear caused by terrorism--and external factors such as world inflation, the short supply and cost of fuels, the problems of the Central American Common Market, and the drop in the price of coffee in the international market, which caused a drop in income of approximately 2 billion colones in the past 2 years. The total or almost total loss of foreign commercial investment and the suspension of credit to local manufacturers by foreign suppliers only made the situation worse.

Moreover, this general economic contraction and especially the drop in the prices of the main export products have negatively affected the budgetary revenues, thus decreasing the resources that the state needs for its operation and investments. For this reason, the public sector is in a very difficult financial situation and great efforts must be made to cover the necessary expenses to maintain services and to carry out state projects.

The deterioration of the foreign sector as a result of the drop in coffee prices has had a tremendous impact on our highly dependent economy, particularly with regard to the export of traditional products and our imports. This drop has resulted in a substantially lower price for our exports which is not in line with the efforts made by our producers and in a notable reduction in our capacity to import. In addition, our economy has been affected by an increase in the prices of the necessary supplies that must be imported to maintain our productive capacity. We only have to mention the example of petroleum which represented an annual import figure of $16 million 4 years ago and which now represents an average of $216 million per year.

This reduction in our ability to import has forced us to eliminate the importation of a number of products which are not priority items and to ration the amount of foreign exchange that the productive sectors need to provide themselves with raw material and other goods from abroad. To overcome these deficiencies in foreign exchange and to take care of the importing of raw materials and essential goods, the government has had to seek additional resources abroad. For this reason, the efforts of public officials have been devoted to asking for the necessary financial cooperation from friendly governments and international organizations to cover these maladjustments.

As can be seen, the government has been very concerned over the problems that the country has had to face in the political, economic and social spheres. We have suggested to the nation that we approach them in a natural order. We are facing serious and profound problems through the consolidation of the socioeconomic reforms. The political problems are being faced by promoting a process that is based onthe full and effective demand for the suffrage needed to achieve the democracy we have promoted. We are trying to reactivate our economy efficiently by using the financial resources that the state has made available for the productive sectors so that we can all be involved in a crusade to save the fatherland. These goals can be reached if we all make efforts to pursue our common aspirations with justice, peace, unity and solidarity.

Decree No 544 and the Austerity Policy

An integral and general analysis can make the people understand that in the face of such an economic situation, the government has been forced to adopt somewhat unpleasant measures, such as Decree No 544, and to adopt a strict austerity policy that evidently represents a [word indistinct] factor for people on salaries. For this reason, allow me to make some explanations in this regard.

In light of the regressive situation in our economy, the revolutionary government found it necessary to adopt measures aimed at stabilizing staple prices so that price increases would only occur on products over which no control could be exerted, such as imported equipment. The measures were also aimed at stabilizing salaries to allow enterprises to continue operating without increasing cost-type pressures that would later result in more price increases that would then result in a higher cost of living.

In other words, internal inflation is attacked with measures aimed at permitting a higher production of national goods and services. Toward this end, the government has encouraged the cultivation of idle land and the reactivation of production centers that can use their installations without new investments.

To reach these objectives, the government proposed short-term financial policies that involve enterprises producing goods for popular consumption as well as enterprises producing raw material for other sectors.

At the same time, the government supported activities such as public works and the house construction industry that are sources of employment. Support was particularly given to those enterprises that don't use too much imported material. This resulted in the creation of 31 [as heard] new jobs. This fact led the revolutionary government to create a legal tool that would stabilize prices and salaries and permit a continuation of the effort initiated to achieve the country's economic recovery.

This is why in December 1980, the government issued Decree No 544, which contains temporary economic stabilization measures as part of the policies of a government aware of its historic responsibilities.

Because of the aims of Decree No 544 and its positive potential in the country's economic activities, this decree must be understood by all. It must also receive a positive response. Compliance with it should be voluntary because while it is true that it implies sacrifices, it also offers compensatory dispositions for the workers, public employees and other sectors. For example, the decree establishes stable prices in staples, medicine, house rents, schools, medical consultations and so forth. The decree also represents a government commitment that this time there will be no increase in the rates for government services, that there will be effective price controls and that there won't be any additional taxes for the rest of the year.

In the public sector, the government has adopted an austerity policy that will permit a reduction in public expenditures of 15 percent, without reducing the services provided by the state.

The private sector must practice its own austerity for the benefit of the country. This sector must work for efficient production and avoid, as much as possible, waste. This will enable the private sector to reduce costs and to transfer part of those benefits to the consumer.

The area that we want to stress more in the austerity effort is the use of foreign exchange, because austerity in this regard means helping resolve the foreign exchange problems in the national economy.

Everybody has the responsibility of pursuing austerity measures. This includes the industrial, commercial, service and all other production sectors. It is also the responsibility of all Salvadorans. It is necessary to emphasize that the economic problems we are enduring must not be seen unilaterally or with sectarian interests. And the situation must not be used to secure political gains. Efforts must be made by everyone, without distinction, thinking only of the highest interest of the nation.

Regarding the workers' salaries, we have been forced to choose from various alternatives:

1. We could adopt a demagogic position and allow salary increases that would immediately result in higher staple prices. This, however, would lead to a lower purchasing capability and to a deterioration of the workers' situation, which would lead to new salary demands and then to new price increases that in the end would result in a greater inflationry spiral.

2. We could give salary increases and control prices. This would lead to the closing of small enterprises, to greater unemployment and to shortages in the market.

3. We could keep salaries and staple prices frozen. This permits the real salary of the workers to remain as it is.

We decided on the last option because it is the one that most benefits the workers, their families and the Salvadoran people.

According to polls that have been conducted, it can be stated that since Decree No 544 has been in effect, it has had some noticeable positive results and that its goals of economic stabilization have been secured to a great extent. Had the decree not been issued, the inflationary process would have grown and it would have reached uncontrollable levels that would have further upset the economy of the Salvadorans, and especially that of the workers. However, we are now observing noticeable drops in prices, especially of food. As another example to back this statement, we just have to cite the case that according to [words indistinct] rent charges [word indistinct] have been progressive [words indistinct] 60 percent of the cases of decreases in rent of houses and apartments and have obtained 76 percent of [words indistinct].

Along with Decree No 544, actions have been taken to boost production since the solution to the country's economic problem is to produce more. In this regard, there are financial resources for the agricultural, cattle, industrial, construction and other sectors, including credit lines that have not been used yet.

Regarding this, I would like to note that we have placed a credit line for up to 2 million colones at the disposal of the small and medium-sized businessmen. This line was created from funds of the Central Reserve Bank and is aimed at rehabilitating the small businessmen affected by [words indistinct]. We have also created a [word indistinct] line for internal marketing amounting to 5 million colones and another for internal marketing also for 5 additional millions. Only 10 percent of the first line and 6 percent of the second line have been used. The last credit line has not even been used.

We have also implemented a working capital line for 50 million [currency not specified] for manufacturers, and only 1.4 million, that is 2.8 percent, of this line had been used by 2 July. We also have an import and export line which surpasses 58.5 million [currency not specified] which has been scarcely used. We recently established a 52-million colones credit line to be used as working capital for the local industry. These resources will be loaned out to small firms at 7 percent interest and to the medium and large sized firms at 10 percent with up to a 4-year payment period.

The country's situation calls for measures such as Decree No 544 in order to consolidate a new economic structure in the agricultural as well as industrial sector. We need to guarantee the advance of the process on serious bases, to create more job opportunities, to counteract foreign dependence, to increase the levels of production and productivity in order to achieve better living conditions for the working sector and the people in general within a short period of time. In this regard, the private sector must play a patriotic role of great importance in the agricultural sector by continuing to produce coffee, increasing the production of cotton up to rational limits, greatly increasing the sowing of sugarcane while not permitting untilled lands in the country, promoting the cattle sector in all its spheres and working for the production of food in general.

At the same time, we must work our best to completely reactivate the existing industrial structure; to create financial institutions such as the industrial bank and the industrial financial corporation, entities which will take the place of INCASE [expansion unkown] and which will provide financing and technical assistance; as well as to promote and develop the agroindustrial sector.

Therefore, there is an urgent need for a true policy to substitute imports [words indistinct] our country has excessively increased its food imports which currently represents a burden of approximately 400 million colones per year.

All this opens up ample possibilities for the industrial sector because in addition to the goods which already have an established market, the structural reforms carried out will greatly increase the internal market and will create the demand for more goods and services, all of which represent powerful incentives for industrial and commercial expansion. Similarly, our political project has demonstrated that the cooperatives are a very important complementary instrument because they involve a high degree of human development, solidarity and participation. All this greatly diminishes social conflicts and better guarantees peace and social stability because the new system allows several persons to participate in production and marketing which they could have never done individually.

All of this will be accompanied by a wide range of collateral programs that will permit us to have the duly prepared people participate in production with a high degree of productivity and to enjoy the benefits of this greater production of goods and services. The present educational programs are being aimed at this goal.

In sum, our system of economic recovery directed toward a new model of development has been sufficiently thought out to consider it exempt from improvisations and experimentations. The guiding framework of a mixed economy permits us, on the one hand, to maintain the current productive system with its traditional characteristics, at the same time that a parallel system is developed in the reformed sector in which, from the beginning, mechanisms have been incorporated to make planning, participation and production more effective and to overcome the inherent weakness of the traditional agroexporting system throught the diversification of crops and the production to meet domestic demands.

As part of these objectives, the so-called marginal sectors are incorporated since they have been the result of the deficiencies of the economic system in our country. For this reason it is also just that the small enterprises and the craft sector be developed and protected and that craftsmanship be promoted as a way to fill the vacuum left by agriculture and industry and to make sure that the small and medium-sized businessmen will have an effective participation in development.

Lastly, we should not view the future with pessimism. On the contrary, let us take advantage of the experiences of the past and learn valuable lessons for the future. Although the current circumstances are still difficult, there is a lot of room for hope and favorable conditions to overcome the [words indistinct] in which our people have lived. (?They place) our country in a better condition to face the future and to take firm steps toward a stronger and more prosperous society in which work, participation and productive capacity will more effectively guarantee social justice and well-being.

First of all, I want to issue an appeal. This is why I reiterate that private enterprise not only has a broad field to develop its activities, but its opportunities will increase in the future to the extent that the measures applied, far from affecting the market economy, will increase the possibilities of [word indistinct] by increasing the purchasing power of the Salvadorans who didn't have any before. Through this, the development conditions of commerce and industry will substantially improve. In effect, the peasants who have so far been excluded from consuming goods and services will in a short time have a purchasing power that is infinitely higher than the one that they have traditionally had and therefore will have greater access to goods and services that in the past were solely reserved to minority sectors.

The people in general will benefit as a result of the better distribution of income. All of this will demand higher production indexes in all fields. The private sector must view the changes begun during the current administration as beneficial for the country in general and particularly for future generations. It should get ready to efficiently satisfy future needs. The private sector's prosperity and its cooperation in the effective solution of our economic problems will be based on this.

We have confidence that conscientious businessmen will be ready to occupy the place that the historic moment was given them and that they will understand that social processes are irreversible when the majority forces of a society decide to carry them out. There is increasing evidence that the Salvadoran people are truly enthusiastic about participating in this process. The people understand the great potential of the political project of the revolutionary government junta and have confidence in the armed forces' promise to support this project.

I want to express my recognition and gratitude to the working people, who have accepted with real stoicism the monetary measures to enable the country to move forward, and to the peasants whose hard-working spirit is the best indication of the success of our endeavors.

It is you, industrial workers, commerce workers, rural workers, teachers, government workers and businessmen of all sectors who essentially have the task of defending and promoting this project for the good of all our fellow countrymen. We firmly believe that when there is a problem of the magnitude of ours, the determination of all the people is the only thing that can contribute to its solution. To some extent, all of us have responsibility, either through our actions or lack of action, for our current crisis. However, instead of recriminations, we should consider this the time for constructive work.

The government has presented to the people a process for peace, justice and economic reconstruction. If we all become aware of the role that each of us has at this important moment of our history and we decide to patriotically contribute our share of work and the effort that the situation demands, then we will be able to move forward and fulfill the goal we have set to benefit our people and fatherland. Let us work together, aware of our reality and of the need for our sacrifice and let us be confident that we will achieve a better life. Let us seek the unity of all the Salvadorans and let us struggle to achieve the national objectives which the revolutionary government has proposed.

Good night Salvadorans.

GUATEMALA

OFFICIAL NOTE SENT TO UN ON BELIZE INDEPENDENCE

PA260112 Paris AFP in Spanish 2111 GMT 25 Jul 81

[Excerpts] Guatemala City, 25 Jul (AFP)--The Guatemalan Government has warned the United Nations that "it will not permit Belize to obtain its unilateral independence," it has been learned here. "An act of this nature," an official communique underscores, "constitutes a flagrant violation of the UN Charter."

Eduardo Castillo, Guatemalan ambassador to the United Nations, charged in an official note delivered to UN Secretary General Kurt Waldheim that "during the recent talks with Great Britain held from 6 to 10 July in New York the bases of understanding signed in London last 11 March were undermined and distorted."

Castillo stressed in that note that "a unilateral declaration of Belizean independence would violate Article 33 of the UN Charter."

In the letter given to Waldheim, the ambassador recalls that "Guatemala has legally claimed all of the Belizean territory and has denounced the convention that ceded the territory which, since it was never fulfilled by the British Government, was nullified in all its parts."

Ambassador Castillo Arriola insisted that should a unilateral independence occur, "the Republic of Guatemala will take the stand announced previously by President Lucas."

"It is the opinion of the Guatemalan Government," Castillo concluded, "that the continuation of the controversy would mean that an area of insecurity and unrest would continue in Central America instead of having an area where cooperation, understanding and mutual confidence exist between two peoples to promote and preserve peace."

EGP EXPLAINS WHY IT ATTACKS U.S. COMPANIES

PA242214 Havana International Service in Spanish 1800 GMT 24 Jul 81

[Text] The Guatemalan People's Guerrilla Army [EGP] affirmed that its armed actions are aimed primarily against companies or individuals who actively support the genocidal regime of Romeo Lucas Garcia. We take actions against U.S. companies, it warned, not just because of their nationality, but because they support the dictatorship economically and become accomplices of Washington's warmongering policy in Central America.

In a communique released in Guatemala City, the EGP urges the U.S. firms operating in this Central American country not to join the useless efforts of the Guatemalan regime to conceal its slaughtering of the people and to misinform the world public opinion.

The rebel organization also reported that because of its complicity with the dictatorship, guerrilla commandos at the beginning of this month staged armed attacks against the U.S. Eastern Airlines company and the U.S. Chamber of Commerce.

The EGP also reported that the rebel combatants of the new Augusto Cesar Sandino Guerrilla Front have already inflicted many casualties on the army which is on maneuvers in Baja Verapaz and Chimaltenango Departments.

It was also disclosed that five Guatemalan military officers, who asked not be identified, had accused the generals in positions of power in Guatemala of conspiracy, incompetence, corruption and fraud.

TAIWAN ADMIRAL OFFERS AID AGAINST GUERRILLAS

PA241556 Buenos Aires LATIN in Spanish 0235 GMT 21 Jul 81

[Excerpts] Guatemala City, 20 Jul (LATIN-REUTER)--Adm Chang-chi Soong, chief of the joint chiefs of staff of Taiwan, today offered to continue the technical military aid, mainly against the leftist guerrillas, to the Guatemalan Government. The Taiwanese official made the statement during a luncheon that Foreign Minister Rafael Castillo Valdez held in his honor in the city of Antigua, some 40 km west of the capital.

Soong, who arrived yesterday for a 3-day official visit, added that Taiwan will continue to provide help to improve the Guatemalan Army's struggle against the communists.

Meanwhile, the People's Guerrilla Army today announced in a communique that it had created the Augusto Cesar Sandino Front in the country's high plateau in homage to the second anniversary of the Sandinist Revolution.

HONDURAS

NICARAGUAN BOAT CAPTURED AFTER SHOTS EXCHANGED

PA260148 Panama City ACAN in Spanish 2346 GMT 25 Jul 81

[Text] Tegucigalpa, 25 Jul (ACAN-EFE)--A Honduran Coast Guard vessel exchanged fire with another one from Nicaragua before capturing a Nicaraguan fishing boat, "San Aldino," on 24 July, the army public relations office reported today.

The "San Aldino" is an 85-ft long vessel whose Captain Jorge Castrillo and crew of seven, all of whom are Nicaraguans, are detained at the Amapala Naval Base in Fonseca Gulf on the Pacific Ocean, whose waters are shared by Honduras, Nicaragua and El Salvador.

The Honduran Army reports that its naval vessel surprised the "San Aldino" while it was fishing in Honduran territorial waters and ordered it to halt, to identify itself and to explain what it was doing, but the vessel increased its speed.

An official communique adds that a pursuit ensued and that a Nicaraguan patrol boat tried to protect the "San Aldino" and fired several times at the Honduran Coast Guard vessel, which returned the fire and caused the patrol boat to flee.

The Nicaraguans who were arrested have been turned over to Honduran authorities to be fined for illegal fishing in Honduran territorial waters.

The Honduran Army reported that there were no casualties or wounded among the crew that made the capture.

NICARAGUA

LABOR MINISTRY BANS STRIKES, LAND SEIZURES

PA251520 Managua Radio Sandino in Spanish 1200 GMT 25 Jul 81

[Text] Strikes caused by capital depletion in enterprises are banned. In defense of the country's economy in general, the Labor Ministry has adopted firm measures to drastically curb all those activities which disrupt the production of any type of enterprise in urban and rural areas. This is stated in an official Labor Ministry communique signed by Deputy Minister Edgard Macias.

The Labor Ministry believes that beginning 24 July, no labor problem is a sufficient motive for strikes, work stoppages and seizure of enterprises and land in urban and rural areas. Therefore, these types of actions are prohibited.

The communique adds that the Labor Ministry will be strict and inflexible with workers who violate these measures of the revolutionary leaders. The charge of depletion of capital from an enterprise does not authorize workers to seize it and prevent its administrators from entering. Instead, the workers must use the proper channels to make this known to the Justice Ministry so that the charge can be thoroughly investigated.

STATE COUNCIL APPROVES AGRARIAN REFORM LAW

PA241425 Managua Radio Sandino in Spanish 0300 GMT 24 Jul 81

[Text] The State Council approved the Agrarian Reform Law this afternoon. Today, 23 July, the historic 20th anniversary of the founding of the Sandinist National Liberation Front, the vanguard of the Nicaraguan people, becomes another historic date in the development and consolidation of our revolutionary process. Today, the State Council, the people's council, turned into a reality the desire and aspiration of the Nicaraguan peasants by unanimously approving the Agrarian Reform Law.

After 2 days of intense work, the representatives of the mass organizations, professional associations and revolutionary political parties ended their discussion of each of the articles of the Agrarian Reform Law. In today's session, 33 articles were debated. Some of these articles were modified in order to guarantee that the provisions of the law will clearly fulfill the objectives of agricultural production and will benefit the country's peasants.

The Agrarian Reform Law will allow approximately 100,000 landless peasants access to land in order to work it, benefiting them and the country. As Radio Sandino has stressed, the current law guarantees the ownership of land to all those who work it efficiently and productively. It affects all the idle or inefficiently exploited lands.

The reforms introduced into the law today by the delegates included the following: It is established that the idemnification will be decided within 90 days after the land has been seized, as long as the turnover of the land has been satisfactory. Article 18 states that the average declared value for tax purposes in the past 3 years will serve as a basis [for indemnification]. The land and other declared property affected by the agrarian reform will be paid for with agrarian reform bonds in accordance with the law. The exception to this provision is land and other property which is idle or abandoned. These will pass to the state without idemnification.

Now that the State Council has approved the Agrarian Reform Law, it will be sent to the government junta for its publication in the official gazette.

RADIO CORPORACION CRITICIZES 19 JULY MEASURES

PA251550 Managua Radio Corporacion in Spanish 2300 GMT 24 Jul 81

["Our People Talk" feature, with announcer reading a letter from listener (Erenor Torres Lopez), followed by the station's reply]

[Text] Gentlemen: What did you think about the announcements made by Commander Ortega, coordinator of the junta, in his 19 July speech? Don't you think that the agrarian reform which is to be promoted is advantageous and good for the entire country?

Isn't it an excellent idea to give property titles to the residents of intervened neighborhoods? Isn't it encouraging to learn that there will be no more big landowners with unused land here in Nicaragua? Isn't it good to learn that for the first time in their lives all our peasants will have a piece of land guaranteed by the state, which their children will have a right to inherit? Isn't it good that 14 companies committing capital depletion here intervened and included in the People's Property Area? Isn't it good that thanks to these measures by our government, private property is guaranteed, since there will be no more need to seize land, because it will be distributed among all destitute people?

What do you think of all this? I think many of the measures announced on 19 July represent a definition. I think each of those measures will bring the much desired peace and suitable climate that the gentlemen in the Higher Council of Private Enterprise and other patriotic businessmen constantly demand. What is your view of all this? Thank you.

[Signed] (Erenor Torres Lopez), Managua

Dear Mr (Torres Lopez):

Basically, we do agree with what you mention in your letter. Many of the measures announced by Commander Ortega in his 19 July speech can be very beneficial for the citizens in general. It still remains to be seen how all these provisions will be implemented regarding agrarian reform, guaranteeing private property, not allowing new seizures, distribution of property titles among the peasants, etc.

We also expect that the distribution of land among peasants will not imply submission to the Sandinist National Liberation Front Party, and we wonder if membership in that party will not be deemed an essential prerequisite for the distribution of land. In other words, we do not want to see any privileges in connection with the distribution of our land, because we are all Nicaraguans and the agrarian reform laws must be just and cannot be party-oriented. Land should not be exclusively distributed among the members of the Sandinist Workers Federation or the Farm Workers Association. Is this clear?

Regarding the 14 companies confiscated, it did not seem to us that this was the right procedure, since many of those enterprises had decisions pending at the Supreme Court. In other words, their owners were abiding by the law so justice could be done in each case. The expropriation of all those companies ordered on 19 July ignored all existing laws. How is private property being guaranteed then?

We repeat: We agree with most of the measures that Commander Ortega announced in his speech. Of course, we agree. We do think, however, that certain aspects of those provisions should have been analyzed longer. Certain points need to be explained.

Thank you very much for your letter.

BRIEFS

FACTORY SEIZURE BY WORKERS--Workers of the modern plastics factory in Managua seized the installations without interrupting production. The workers claim that the owner had been constantly depleting the industry's capital, had not heeded their petitions to remedy the situation and had left them no alternative. They are now asking the government to legalize their action. [Managua Sistema Sandinista Television Network in Spanish 0200 GMT 14 Jul 81 PA]

GRENADA AMABASSADOR--Richard Jacobs, Grenadian ambassador to Nicaragua, presented his credentials at the Foreign Ministry today. [Managua Radio Sandino in Spanish 1800 GMT 13 Jul 81 PA]

GRENADA

REPORTAGE ON SOCIALIST INTERNATIONAL MEETING

Bishop Criticizes U.S.

FL241952 Bridgetown CANA in English 1905 GMT 24 Jul 81

[Text] St Georges, Grenada, 24 Jul (CANA)--Prime Minister Maurice Bishop has opened a meeting of the Socialist International Committee for Latin America and the Caribbean, saying that acts of aggression such as political or economic destabilization through propaganda should be outlawed internationally. "The time has come," he said, "that we must move to elevate the questions of propaganda destabilization, of economic aggression, of mercenary invasion or the threat of mercenary invasion, to the same level that we have already internationally elevated the question of the direct landing of Marines."

The United States, Bishop said yesterday, has embarked on a massive all out offensive against Grenada and the Grenada revolution. One aspect of this, he said, is a propaganda campaign and he cited as examples production by CBS TV and a film produced by the American Security Council.

"We have also seen in recent times," he said, "that the United States Communications Agency summoned to Washington different Caribbean journalists from every English-speaking Caribbean country except Grenada and one other and, at that meeting, the attempt was made to try to establish a basis for getting some of these journalists to embark themselves on a massive negative propaganda campaign against the Grenada revolution.

The success of that attempt, Bishop said, can be gauged by the fact that, within days of their return from this conference, several regional newspapers including the GUARDIAN and EXPRESS of Trinidad, the ADVOCATE-NEWS of Barbados, the CHRONICLE of Dominica and the GLEANER of Jamaica, "embarked on another round of vicious editorials aimed at trying to discredit the revolutionary process."

The prime minister said the United States had also embarked on a total offensive against the Grenada revolution on the economic front. The U.S. has blocked financial assistance to Grenada's farmers, he said, and has gone to great lengths to try to stop Grenada's attempt to get financing for its international airport project from the European Economic Community (EEC). The United States has also stood in the way of financing from the World Bank and the International Monetary Fund (IMF), he said, and has attempted to get the Caribbean Development Bank (CDB) to accept grant money on the condition that Grenada be excluded from the beneficiaries of that package.

"The time has come," he said, "when international public opinion must be so mobilized that, not only when Marines land in somebody else's territory, that there is a great outcry, but when there is evidence of a systematic and concerted plan to propaganda destabilization or of economic aggression or of political and industrial destabilization or of mercenary threat."

Salvadoran on U.S. Aid

FL242128 Bridgetown CANA in English 1959 GMT 24 Jul 81

[Text] St Georges, Grenada, 24 Jul (CANA)--The representative of the National Revolutionary Movement of El Salvador, Hector Oqueli, has expressed concern here that of all the military aid now being given by the United States to Latin America, 31 percent is going to the military junta in El Salvador. Oqueli was addressing the 2-day meeting of Socialist International Committee for Latin America and the Caribbean which opened in Grenada yesterday.

"We have observed," he said, "that since last year, the United States has launched an intervention in El Salvador which is very similar to the intervention observed in former years in Vietnam." In 1980, he said, the United States gave military aid which it described as "non-lethal" but, in 1981, the military aid granted to El Salvador is certainly "lethal." In addition, he said, the United States is sending advisor teams to El Salvador to train the Salvadoran Army.

"Thirty-five million dollars that have been granted in military aid by the United States to the Salvadoran junta apparently have not been enough for them," he said, "and they even speak of increasing substantially the military aid to El Salvador and incrementing also the advisory teams." Oqueli said the United States sent 10 helicopters to El Salvador early this year and the military junta has now asked for 75 more. "Such a huge amount of helicopters will, undoubtedly, not only be used in terms of fighting what they call internal subversion," he said, "but also in terms of fighting an offensive war in some countries."

Area Parties To Assist Grenada

FL251739 Bridgetown CANA in English 1705 GMT 25 Jul 81

[Text] St Georges, Grenada, 25 Jul (CANA)--The Socialist Parties of Curacao, El Salvador, Grenada, Guatemala, Jamaica and Venezuela have agreed to form a solidarity committee to assist Grenada. This was disclosed in a joint communique issued last night at the end of the meeting of the Socialist International Committee for Latin America and the Caribbean.

The purpose of the committee is to assist Grenada in this period when it faces grave dangers from U.S. imperialism.

The joint release also asks the U.S. Government to end its support for the present junta in El Salvador and it rejects the thesis that the Salvadoran problem is one of a junta fighting the extreme right or left. "It is rather a despotic regime whose existence is provoking violence," the release said.

The parties to the release declared their firm support for the ruling New Jewel Movement here, the Revolutionary Government and the people of Grenada.

They also proposed that a serious campaign be launched by member parties to fully alert world public opinion to the "dangerous and deadly implications of the imperialist tactics of propaganda destabilization, political and industrial destabilization, economic aggression and mercenary threat to Grenada and Nicaragua."

UK Labor Party Support Letter

FL251848 Bridgetown CANA in English 1735 GMT 25 Jul 81

[Text] St Georges, Grenada, 25 Jul (CANA)--The British Labor Party has been pressing the Conservative government of Prime Minister Margaret Thatcher to take a "sympathetic and generous" attitude towards requests of the Grenada Government for aid particularly with respect to the new international airport now under construction.

Prime Minister Maurice Bishop said so last night when he made public the text of a cable sent to Grenada to Bernt Carlsson, general secretary of Socialist International (SI), and signed by Ron Heywood, Labor Party general secretary.

Mr Bishop was speaking at a press conference at the close of a 2-day meeting of the Latin America and Caribbean Committee of the Socialist International.

"We believe the Grenadian revolution deserves the support of all democrats and socialists," the cable said. "Together with the Government of National Reconstruction in Nicaragua, it offers a beacon of hope and social justice in Central America and the Caribbean, a region too long dominated by exploitation and repression."

Labor's policy towards the region is laid out clearly in a resolution on Central America passed by the party's international committee this month, the cable said, and Bishop gave some details of this document which he said was attached to the cable.

The British Conservative government has said its bilateral aid policy to Grenada is being reviewed because of the failure to hold elections there.

"In view of the continuing and increasing U.S. pressure on Central America and the Caribbean and the obstacles placed by the Reagan administration to the achievement of peace and democracy in the region, the National Executive Committee restates its support for the Popular Revolutionary Government of Grenada and our fraternal party, the New Jewel Movement led by Prime Minister Maurice Bishop," the resolution said.

It urges the British Government to respond generously to Grenada's requests for aid for the international airport, and deplores the United States "impertinent meddling in the affairs of the European Economic Community and the associated African, Caribbean and Pacific countries, urging the rejection of Grenada's appeal for funds."

The Labor Party believes, the resolution says, that the U.S. policies in the region are thoroughly detrimental to the achievement of democracy there, and must be condemned by the British Government as a breach of the principles of self-determination of peoples and a dangerous threat to world peace. In the difficult times faced by the Grenadian Government in the future," the cable to Carlsson says, "we will do everything in our power to mobilize international opinion in support of the democratic and socialist aspirations of the Grenadian people."

French Socialist Defends Cuba

PA261827 Paris AFP in Spanish 1241 GMT 26 Jul 81

[Text] St Georges, 26 Jul (AFP)--The French Socialist Party will not tolerate any aggression against Cuba, Antonio Blanca, personal assistant of French Premier Pierre Mauroy, stated in this Grenadian capital.

"The relations between Presidents Francois Mitterrand and Fidel Castro have always been excellent and are maintained within a climate of known cordiality," Blanca stated.

Blanca is responsible for relations of the French Socialist Party with Latin America and the Caribbean and participated here as a observer in the second annual meeting of the Socialist International Committee for the two American regions.

"We reiterate that we are not disposed to permit, under any concept, any aggression against Cuba, any economic blockade or any direct or indirect discrimination," the French Socialist stated.

"The relations of our party with the Communist Party of Cuba [PCC] are excellent also, and we were invited as observers to the Cuban congresses of 1975 and 1980," Blanca indicated.

"The fact that we maintain relations does not mean that both parties hold identical views because while we uphold Cuban socialism, the companeros of the PCC uphold Marxism-Leninism," he noted.

"We understand, however, that the geopolitical situations of France and Cuba are totally different," Blanca concluded.

BRAZIL

FIGUEIREDO LEAVES HOSPITAL FOR 10-DAY REST

PY241502 Sao Paulo Radio Bandeirates Network in Portuguese 1000 GMT 24 Jul 81

[Text] President Joao Figueiredo yesterday returned to Brasilia, from where he flew to Granja dos Torto where he will spend 10 days resting. The chief of state will make his first public appearance on 10 August when he will meet with Venezuelan President Luis Herrera Campins. In the meantime Figueiredo will receive only his closest aides and ministers of state.

FOREIGN MINISTER SUPPORTS U.S. ACTION ON ISRAEL

PY250333 Rio de Janeiro JORNAL DO BRASIL in Portuguese 22 Jul 81 p 4

[Excerpts] Upon returning to Brasilia last night and after declaring that he is fully recovered from the surgery he underwent in Rio de Janeiro, Foreign Minister Ramiro Saraiva Guerreiro referred to President Ronald Reagan's action toward Israel as "an important effort to stem the deterioration in the Middle East situation."

BRIEFS

FRENCH, SOUTH AFRICAN AMBASSADORS—New French Ambassador Robert Richard and new South African Ambassador Frederick Gustav will present their credentials to President Joao Figueiredo. They will do so at separate ceremonies. [Rio de Janeiro O GLOBO in Portuguese 7 Jul 81 p 7 PY]

CHILE

AMBASSADOR TO UN RESIGNS; REPLACEMENT APPOINTED

PY251536 Paris AFP in Spanish 1519 GMT 25 Jul 81

[Text] Santiago, Chile, 25 Jul (AFP)--It was reported here today that Manuel Trucco will take over as head of Chile's delegation to the United Nations, thus replacing Sergio Diez, who has resigned. Trucco, who is currently representing the Chilean Government before Geneva-based international organizations, will travel to New York in September.

BRIEFS

NEW VENEZUELAN AMBASSADOR--President Augusto Pinochet today received the credentials of the new Venezuelan ambassador, Juan Moreno Gomez. [Santiago Chile Domestic Service in Spanish 0000 GMT 24 Jul 81 PY]

CUBA

NICARAGUANS ATTEND SANDINIST CELEBRATION

FL251309 Havana Domestic Service in Spanish 1000 GMT 25 Jul 81

[Text] The main ceremony to mark the 2d anniversary of the triumph of the revolution in Nicaragua and the 20th of the founding of the Sandinist National Liberation Front was held last night at the Universal Hall of the Revolutionary Armed Forces in Havana. The ceremony was presided over by Politburo member Julio Camacho Aguilera and Osmani Cienfuegos, alternate Politburo member Jesus Montane, Commanders Humberto Ortega and Victor Tirado of the Sandinist Front's Directorate, and Nicaraguan Ambassador to Cuba Marcos Valle.

Brigade Commander Julio Ramos, member of the Sandinist Front's Military Commission, delivered an account of the founding of the organization, forged in the constant struggle as vanguard of the people of Augusto Cesar Sandino.

In his closing remarks, Jesus Montane noted that the unity achieved in combat and the solidarity of Latin America and the world had considerable influence on the final victory of the ideals advocated by Sandino and Carlos Fonseca Amador.

DOMINICAN REPUBLIC

PRESIDENT GUZMAN DENIES PRESENCE OF SOVIET SPIES

PA250032 Madrid EFE in Spanish 1520 GMT 20 Jul 81

[By Rosendo Sepulveda]

[Text] Santo Domingo, 20 Jul (EFE)--Dominican President Silvestre Antonio Guzman has denied the presence in his country of 27 Soviet spies, as reported in the U.S. magazine, U.S. NEWS AND WORLD REPORT, but he has admitted that there are communists here "like everywhere else."

The Dominican president has denied that his country has become a center of communism or--as Colonel Padilla Medrano, chief of the National Investigations Directorate, has already stated--that there are 27 Soviet KGB agents in the Dominican Republic.

The charge [words indistinct] has nonetheless upset the citizens.

[Words indistinct], for (?its) part has charged not only that the country is full of Soviet and Cuban agents, but also that those countries use the services of Dominicans.

Rey Perna [not further identified] has also affirmed in a television program that the youths studying in socialist universities report--"some willingly, others unwillingly--on everything that concerns the Dominican Republic.

According to him, when presenting their theses, the students present a great deal of data which is carefully written down and filed.

Perna added that "in the Soviet Union they have more reliable information on the Dominican economic, political and social situation than in the Dominican Republic itself."

Humorists have also referred to the subject of the 27 KGB spies, and in his television program, Freddy Beras Goico played for the first time a merengue entitled "The Russians Have Arrived."

ECUADOR

PRESIDENT APPEALS FOR 'VAST NATIONAL AGREEMENT'

PA260411 Madrid EFE in Spanish 2059 GMT 25 Jul 81

[Text] Quito, 25 Jul (EFE)--Ecuadorean President Oswaldo Hurtado today appealed to all the economic and social sectors and to civilians and the military, to reach a "vast national agreement" to consolidate democracy and to promote socioeconomic development and social justice.

At a military ceremony held in Guayaquil on the occasion of Navy Day, the president praised the "unshakable democratic beliefs" of the Ecuadorean militarymen and invited them to remain as the builders "not only of the defense of sovereignty" but of democracy and development as well.

Hurtado underscored the role played by the armed forces when they turned power over to the civilians in 1979 after 10 years of dictatorships and their "permanent support of the legal order," as demonstrated in January and February during the armed conflict with Peru and in May after President Jaime Roldos' death.

Hurtado noted that the democratic system "is the one which best guarantees the rights and professional aspirations" of the militarymen, who permit the civilians to enjoy their rights.

Along this line, he pointed out that one of "the essential goals in the coming years" is the strengthening of the role of the different branches of the armed forces in the country.

The president stressed that although constitutional order may appear to be a "narrow road filled with obstacles," this is the only way to guarantee liberty, human rights and to secure the national objectives of development.

At the end of his speech, the president referred to the economic crisis recently affecting Ecuador and called on all institutions and citizens to "responsibly assume" their civic obligations and to contribute to overcoming the crisis.

GUYANA

CUBA GRANTS 2-YEAR LINE OF CREDIT FOR EQUIPMENT

FL242259 Bridgetown CANA in English 2153 GMT 24 Jul 81

[Text] Georgetown, Guyana, 24 Jul (CANA)--Cuba has offered Guyana a 2-year line of credit to purchase industrial equipment, according to the president of the Georgetown Chamber of Commerce (GCC), Ernest Christian. The chamber and other agencies have had discussions with Cuban officials on the offer. No specific details on the line of credit has been announced.

PARAGUAY

LIBERAL PARTIES MERGE; COMMUNIQUE ISSUED

PY241612 Asuncion ABC COLOR in Spanish 20 Jul 81 p 55

[Text] The Radical Liberal Party [PLR] and the United Liberal Party [PLU] yesterday issued communiques announcing their merger. The leaders and members of the PLU rejoined the PLR which means that the former has been dissolved.

This is the text of the PLU communique:

The United Liberal Party wishes to inform its members that the much desired party unity has been achieved and the members of the PLU have automatically become members of the PLR. Thus, the PLU has been dissolved and its members have returned to the PLR, retaining all their rights and duties set forth in party statutes.

A public ceremony will be held on 30 July 1981 at the headquarters of the party at 936 Iturbe Street during which a message will be addressed to the nation and party members regarding the significance of the achievement.

The communique, dated 17 July, is signed by Col Alcibiades Irrazabal, president; and Moises Gomez, political secretary of the PLU.

PERU

FOREIGN MINISTER ATTENDS JOINT FAIR ON BORDER

PA250437 Quito Voz de los Andes in Spanish 2330 GMT 24 Jul 81

[Text] Peruvian Foreign Minister Javier Arias Stella yesterday attended the opening of a fair in Piura, 1,000 km north of Lima, on the border between Peru and Ecuador.

It was officially reported that he affirmed that the event was an important step toward Latin American fraternity.

The fair will be open until 5 August; 300 merchants of neighboring towns on the border between the two countries are participating in it. This is the first commercial event between Peru and Ecuador since the border conflict early this year.

URUGUAY

GENERAL FEOLA VIEWS RELATIONS WITH UNITED STATES

PY251957 Montevideo Radio El Espectador Network in Spanish 1600 GMT 25 Jul 81

[Relay from Carrasco airport]

[Text] Two generals, members of the Council of the Nation which will soon appoint the new president of the nation, arrived today: Gen Alfonso Feola, who is currently a member of the Inter-American Defense Institute Council of Studies; and Gen Holmes Coitino, who is the head of the Uruguayan military mission in the United States.

General Feola will now speak about the impression which the new Uruguayan political opening has created in the United States.

[Begin Feola recording] According to the information which we have, the State Department has reacted favorably to this opening and said so to our embassy at the very beginning. The process of political opening underway here in our country has impressed them favorably [words indistinct] because they view it as a true political opening.

[Question] We heard recently that the U.S. Government would review its credit policy in favor of Uruguay. Now we hear that there is some opposition to this in Congress. Are there any possibilities that this aid would not be resumed? How do we stand?

[Feola] I do not think so. President Reagan and Secretary of State Alexander Haig have already said that they will implement a credit policy favoring Uruguay, Argentina, Paraguay and Chile. I do not believe that [words indistinct] since they have said so publicly. [Passage indistinct]. [end recording]

VENEZUELA

COMMUNIST PARTY MESSAGE TO CUBA ON ANNIVERSARY

FL231152 Havana Domestic Service in Spanish 1100 GMT 23 Jul 81

[Text] The Communist Party of Venezuela [PCV] has congratulated and reiterated its solidarity with the Cuban Communist Party, people and President Fidel Castro on the 28th anniversary of the attack on the Moncada garrison. In a telegram sent to the commander in chief of the Cuban revolution, the PCV Central Committee expresses its full solidarity with the people of Cuba in face of renewed U.S. aggressions and calls for further successes in the building of socialism in the Caribbean island.